

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	CASE NO.
FILING OF BELFRY GAS COMPANY, INC.)	93-111-D

ORDER

On October 11, 1993, in Case No. 93-111, the Commission approved rates for Belfry Gas Company, Inc. ("Belfry") and provided for their further adjustment on an as needed basis in accordance with Belfry's gas cost adjustment ("GCA") clause.

On June 21, 2001, Belfry filed its GCA to be effective August 1, 2001.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Belfry's notice includes revised rates designed to pass on to its customers its expected decrease in wholesale gas costs. Belfry's proposed expected gas cost ("EGC") is \$4.8360 per Mcf. Belfry incorrectly calculated its EGC, using the purchase volume for the period ended March 31, 2001 rather than the sales volume. Correcting for this error produces an EGC of \$4.8621, a decrease of 98.73 cents per Mcf from the previous EGC of \$5.8494.

2. Belfry's notice sets out no refund adjustment.

3. Belfry's notice sets out no actual adjustment.

4. Belfry's notice sets out no balance adjustment.

5. Belfry's corrected GCA is \$4.8621 per Mcf, which is 98.73 cents per Mcf less than the previous rate of \$5.8494.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered by Belfry on and after August 1, 2001.

IT IS THEREFORE ORDERED that:

1. Belfry's proposed rates are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after August 1, 2001.
3. Within 20 days of the date of this Order, Belfry shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of July, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-111-D DATED JULY 24, 2001

The following rates and charges are prescribed for the customers served by Belfry Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Monthly usage

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cubic feet (Minimum Bill)	\$4.2667	\$4.8621	\$9.1288
Over 1,000 cubic feet	\$2.7182	\$4.8621	\$7.5803